Address to the U.N. Security Council
Chairman Richard G. Lugar
U.S. Senate Foreign Relations Committee
February 6, 2006

Mr. President, Distinguished Ambassadors, Ladies and Gentlemen: I am grateful for the opportunity to address the Security Council and for the warm welcome that you have extended to members of the Senate Foreign Relations Committee today. I want to thank especially Ambassador John Bolton for his assistance in facilitating our visit and for the attention and insights he has provided to members of the Senate during his tenure as the U.S. Ambassador.

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The Foreign Relations Committee is united in its belief that an effective United Nations is a vital component to addressing the trans-national problems confronting each of its member states. The four Committee members here today, Senator Chuck Hagel of Nebraska, Senator Norm Coleman of Minnesota, Senator George Voinovich of Ohio, and myself, have all spent much time thinking about international affairs and the role of the United Nations. Although our approaches are not identical, each of us has chosen to serve on the Foreign Relations Committee because we understand that America's problems cannot be solved in isolation from the world community. We have chosen to serve on this Committee out of a solemn belief that the United States of America will be stronger, safer, and more prosperous if it engages the world in a search for cooperative solutions. We also believe that the United States has a moral obligation, as the oldest democracy on earth and as one of the wealthiest, to be an advocate for human and religious rights and political freedoms and to be a generous contributor to international efforts that address poverty, disease, environmental degradation, and other problems that hinder human advancement.

We understand that the United States must not only speak clear truths, it must also listen and learn from others. We know that we are part of a much larger world that has intellectual, scientific, and moral wisdom that can supplement our own knowledge and experiences.

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In that spirit, we have come to the United Nations to converse with you about the direction of this institution and about problems that must be solved cooperatively.

Strengthening the U.N. through Reform

Because we value an effective and credible United Nations, we have advocated a United Nations reform agenda in our work in the U.S. Senate and during our visit today. Ensuring that the operations of the United Nations are transparent and efficient is important to the United States and the American people. Each of us hears from our constituents on a weekly basis about this issue. Most Americans want the United Nations to succeed. They want the U.N. to be able to facilitate international burden sharing in times of crisis. They want the U.N. to be a consistent and respected forum for diplomatic discussions. And they expect the U.N. to be a positive force in the global fight against poverty, disease, and hunger. In my home state of Indiana, we are particularly proud of our native son, Jim Morris, who heads the World Food Program. We celebrate his achievements and recognize how much U.N. agencies like the World Food Program, UNICEF, and the World Health Organization are doing to benefit humankind.

But Americans, like people throughout the world, also want to ensure that the United Nations is free of waste and corruption. They are deeply concerned by the Oil-for-Food scandal and the evolving investigation of kickbacks and rigged contracts in the U.N.'s own procurement division. They understand that the influence and capabilities possessed by the United Nations come from the credibility associated with countries acting together in a well-established forum with well-established rules. Profiteering, mismanagement, and bureaucratic stonewalling, squander this precious resource. If accountability and transparency are lacking in the way the U.N. does business, increasingly it will find itself on the sidelines of diplomacy and major multilateral security initiatives.

I have written to Secretary General Annan calling for the resolute and timely implementation of ten reforms that I believe would be a major step forward for the United Nations. I applaud his affirmation on U.N. reform that "2006 must be [a year] of visible results." I appreciate his vocal advocacy for a constructive reform agenda.

Several of the ten reforms that I have advocated have already been initiated, including the funding of an Ethics Office that will enforce lower gift limits, the establishment of a zero tolerance policy regarding sexual exploitation by U.N. personnel, the strengthening of the Office of Internal Oversight Services, the launching of a review of U.N. mandates that are more than five years old, and the creation of a whistleblower protection policy. The U.N. also must overhaul its procurement system to prevent bribes and kickbacks, establish an oversight body that will be able to review the results of investigations, fund a one-time staff buy-out to allow for a more efficient use of personnel, and improve external access to all U.N. documents. Each of these reforms is currently being discussed.

One reform that is critically necessary is establishing a respected Human Rights Council to replace the Human Rights Commission, which has been discredited because of the membership of repressive and undemocratic regimes. The membership criteria of the new Council must ensure that those elected to it observe human rights and abide by the rule of law.

These ten reforms confer no advantage on the United States, they do not conflict with the U.N. Charter or its mission, they would improve management practices and morale, and they would enhance the U.N.'s global standing. I believe that they could be implemented quickly, without irresolvable controversy.

The adoption of these reforms would not end the reform debate, nor should it. Many other potentially useful updates to U.N. organization have been suggested. Moreover, reform cannot be treated like a one-time event. Rather, it should be an inherent part of the United Nation's operating culture. Any organization or government unit should continually review its rules and practices to ensure that mechanisms are working to prevent waste, fraud, and abuse.

In the short run, the effective implementation of this list of reforms would generate substantial confidence that the United Nations is committed to ensuring transparency and efficiency in its operations. It would also signal a willingness to embrace new standards and practices at the U.N. that would strengthen the United Nations for the monumental tasks that lie ahead. The United Nations and this Security Council must be prepared for the heavy lifting of the coming decades. You must be ambitious in the tasks you undertake because the world is confronted by problems of great magnitude.

Controlling Weapons of Mass Destruction

Today, I want to call to your attention two challenges, in particular, I believe that

how we address these two challenges will determine whether we will live in peace and whether both developing and developed nations will continue to enjoy economic growth and human advancement.

The first challenge is the proliferation of weapons of mass destruction, a threat that has been on the Security Council's agenda for more than a half century. This is not just the security problem of the moment. It is a universal economic and moral threat that will loom over all human activity for generations. The non-proliferation precedents we set in the coming decade are likely to determine whether the world lives in anxious uncertainty from crisis to crisis or whether we are able to construct a global coalition dedicated to preventing catastrophes and to giving people the confidence and security to pursue fulfilling lives.

On September 11, 2001, the world witnessed the destructive potential of international terrorism. But the September 11 attacks do not come close to approximating the destruction that would be unleashed by a nuclear attack. Weapons of mass destruction have made it possible for a subnational group to kill as many innocent people in a day as national armies killed in months of fighting during World War II.

Given economic globalization, there will be no safe haven from catastrophic terrorism or a nuclear attack. Distance from the site of a nuclear blast, will not insulate people from the economic and human trauma that would result. We must recognize that these threats put the domestic hopes and dreams of our respective citizens at grave risk. Does anyone believe that proposals for advancing standards of living, such as expansions in education for our children, stronger protections for the environment, or broader health care coverage, would be unaffected by the nuclear obliteration of a major city somewhere in the world? They would not. The immediate death toll would be horrendous, but the worldwide financial and psychological costs might be even more damaging to humanity in the long run.

Such a catastrophic event would bring years, if not decades, of massive health care and environmental clean-up costs to the nation where the attack occurred. But the economic damage would not be confined to a single country or region; it would be global. The value of world investment markets would plummet and urban real estate could suffer the same fate. Regaining investor confidence and restoring capital flows would be a slow process. Enhanced security measures in the wake of the tragedy could hinder commerce and trade. Insurance costs would rise worldwide, and governments inevitably would transfer national assets to security measures, exacerbating budget deficits and leaving fewer assets devoted to increasing economic productivity and to providing for the needs of citizens.

The world would not see a catastrophic terrorist attack as a one-time tragedy. Rather, it would change the expectations of people throughout the world. If one such terrorist attack could be mounted, could not other attacks be imminent? If some nuclear material had been diverted from safe keeping to terrorists, why not more? We would

see greater restrictions on personal freedom, stricter controls on travel and international study, more barriers to international commerce, and a massive increase in psychological disturbances and suffering. The constricting effect on international interaction would be felt in every country of the world.

Last year, I surveyed 85 top international proliferation and arms control experts about the prospects for averting attacks with weapons of mass destruction. According to the experts surveyed, the possibility of a WMD attack against a city or other target somewhere in the world is real and increasing over time. The group estimated that the risk of a nuclear attack somewhere in the world in the next five years was 16 percent. When the time frame was extended to 10 years, the average response almost doubled to more than 29 percent. The estimates of the risks of a biological or chemical attack during the same time periods were each judged to be comparable to or slightly higher than the risk of a nuclear attack.

Even if we avoid disaster scenarios, the open-ended nature of the threats associated with weapons of mass destruction deeply affects our ability to deliver domestic improvements. Our future economic prospects rest squarely on our collective ability to secure weapons and materials of mass destruction to a degree that encourages investment, improves public confidence, and protects world commerce against severe economic shocks. If we fail to organize and stabilize the world against proliferation, the world economy will never reach its potential.

The Cold War was an unconventional war, as is the struggle with terrorist ideologies. The irony of our situation today is that victory in the current struggle depends on cleaning up the remnants of the previous war and enforcing arms agreements written in the earlier era. The international community is not powerless. We can come to agreements on actions designed to enforce international norms and agreements that are vital to collective security.

We must perfect a worldwide system of accountability for nuclear, biological, and chemical weapons. In such a system, every nation that currently has weapons and materials of mass destruction must account for what it has, safely secure what it has, and demonstrate that no other nation or cell will be allowed access. Meanwhile, we must work to contract existing stockpiles and prevent further proliferation. If a nation lacks the means to participate in this effort, the international community must provide financial and technical assistance.

As one of the authors of the Nunn-Lugar Cooperative Threat Reduction Program, I have witnessed extraordinary outcomes based on mutual interest that would have seemed absurd from the vantage point of the Cold War. In 1991, the vast nuclear, chemical, and biological arsenal of the former Soviet Union had become an immediate and grave proliferation risk. Many weapons sites lacked adequate defenses and safeguards. The Russian economy was struggling, increasing incentives for bribery and black market activity. Moreover, many weapons sites were located outside of Russia, in newly independent states such as Belarus, Ukraine, and

Kazakhstan. This created the possibility of an expansion of nuclear powers with unpredictable results.

Former United States Senator Sam Nunn and I came together to write and promote legislation to establish a program that devoted American technical expertise and money for joint efforts to safeguard and destroy these vulnerable weapons and materials of mass destruction. The program received invaluable encouragement, support, and insight from leaders in the former Soviet Union who recognized the dangers of inaction.

Since its inception, Americans and Russians have worked closely under the Nunn-Lugar program to deactivate 6,828 former Soviet nuclear warheads, destroy 1,174 ballistic missiles, and decommission hundreds of missile silos, strategic bombers, cruise missiles, submarine missile launchers, and nuclear test tunnels. Perhaps most importantly, Ukraine, Belarus, and Kazakhstan are nuclear weapons free as a result of cooperative efforts under the Nunn-Lugar program. In addition, Nunn-Lugar is building a facility at Shchuchye, Russia, to eliminate some two million chemical weapons. It is also employing weapons scientists in peaceful pursuits and working at many bio-weapon sites and nuclear warhead storage facilities to establish security controls and dismantle weapons infrastructure.

While American and Russian experts have been cooperating on dismantlement operations in the former Soviet Union, the United States has been meeting its obligations under arms control treaties to dramatically cut its own nuclear arsenal. By 2012, the United States will have reduced its nuclear stockpile by 75 percent since the end of the Cold War.

No one would have predicted in the 1980s that Americans and Russians would be working side-by-side on the ground in Russia destroying thousands of nuclear weapons systems, as well as biological and chemical weapons. Similarly, from the vantage point of today, few observers would predict that the international community would eventually participate in dismantlement operations in North Korea or, perhaps, Iran. The future is not clear in these states, but if a peaceful outcome is to be secured and weapons of mass destruction are to be eliminated, we should not rule out such extraordinary outcomes.

Since 1992, the United States has spent more than $17 billion on non-proliferation and threat reduction assistance, most of it in the former Soviet Union. The rest of the world collectively has spent about $2 billion on this objective during that period. I commend those nations that have pledged additional non-proliferation funds, and I urge them to follow through on their commitments, but the world needs to do much more in this area. Almost four-fifths of the non-proliferation experts that I surveyed last year said that their country was not spending enough on non-proliferation objectives. None of the experts believed that their country was spending too much on non-proliferation. More than half of the experts recommended an increase of 50 percent or more in their nation’s non-proliferation budget.

Beyond a commitment of more resources, peace depends on the willingness of responsible nations to look past short-term economic gain and assert themselves when nations violate their treaty agreements. Without dismissing the economic needs of any nation, I would submit that nuclear proliferation is not in the interest of any national economy over the long run. Whatever short-term economic gains that may be realized by tolerating non-compliance with international non-proliferation norms will be overtaken by the risks and costs associated with greater instability.

The world must be decisive in responding to nations that are violating the Nuclear Non-proliferation Treaty or other international arms agreements. Diplomatic and economic confrontations are preferable to military ones. In the field of non-proliferation, decisions delayed over the course of months and years may be as harmful as no decisions at all.

In this context, if Iran does not comply with U.N. Resolutions and arms agreements, the Security Council must apply strict and enforceable sanctions. Failure to do so will severely damage the credibility of a painstaking diplomatic approach and call into question the world's commitment to controlling the spread of nuclear weapons. The precedent of inaction in this case, would greatly increase the chances of military conflict and could set off regional arms races.

Meeting Energy Challenges

The second major global challenge that I wish to emphasize is energy. Like the proliferation of weapons of mass destruction, the potential scarcity of energy supplies and the imbalances that exist among nations represent grave threats to global security and prosperity.

Up to this point in history, the main concerns surrounding oil and natural gas have been how much we pay for them and whether we will experience supply disruptions. But in decades to come, the issue may be whether the world's supply of fossil fuels is abundant and accessible enough to support continued economic growth, both in the industrialized West and in large rapidly growing economies such as China and India. When we reach the point that the world's oil-hungry economies are competing for insufficient supplies of energy, fossil fuels will become an even stronger magnet for conflict than they already are.

In the short-run, dependence on fossil fuels has created a drag on economic performance around the world, as higher oil prices have driven up heating and transportation costs. In the long-run, this dependence is pushing the world toward an economic disaster that could mean diminished living standards, increased risks of war, and accelerated environmental degradation.

Increasingly, energy supplies are the currency through which energy-rich countries leverage their interests against energy-poor nations. Oil and natural gas infrastructure and shipping lanes remain targets for terrorism. The bottom line is that critical

international security goals, including countering nuclear weapons proliferation, supporting new democracies, and promoting sustainable development are at risk because of over-dependence on fossil fuels.

This dependence also presents huge risks to the global environment. With this in mind, I have urged the Bush Administration and my colleagues in Congress to return to a leadership role on the issue of climate change. I have advocated that the United States must be open to multi-lateral forums that attempt to achieve global solutions to the problem of greenhouse gases. Climate change could bring drought, famine, disease, mass migration, and rising sea levels threatening coasts and economies worldwide, all of which could lead to political conflict and instability. This problem cannot be solved without international cooperation.

The time is ripe for bold action by the international community because much has changed since talks first began in 1992 on what became the Kyoto treaty. For one, China and India, who won exemptions from the treaty's emission-cutting requirements, have enjoyed rapid growth. They are now much greater sources of greenhouse gases than anticipated, but also far stronger economies, more integrated into the global system.

Our scientific understanding of climate change has also advanced significantly. We have better computer models, more measurements and more evidence -- from the shrinking polar caps to expanding tropical disease zones for plants and humans -- that the problem is real and is caused by man-made emissions of greenhouse gases, including carbon dioxide from fossil fuels.

Most importantly, thanks to new technology, we can control many greenhouse gases with proactive, pro-growth solutions, not just draconian limitations on economic activity. Industry and government alike recognize that progress on climate change can go hand in hand with progress on energy security, air pollution, and technology development.

A roadmap to this outcome is contained in a recent report from the Pew Climate Center, a non-partisan organization, which assembled representatives from China, India and other countries and from global industrial companies, as well as from the U.S. Senate Foreign Relations Committee staff. This diverse group agreed on the need for fresh approaches beyond Kyoto. They said the U.S. must engage all the major economies at once, including India and China, because experience has shown that countries will not move unless they can be sure their counterparts are moving with them.

The United States, the world's richest country and the largest emitter of greenhouse gases, should seize this moment to make a new beginning by returning to international negotiations in a leadership role under the Framework Convention on Climate Change. I believe that the United States is prepared to do that. Our friends and allies should embrace this opportunity to achieve a comprehensive international

approach to global warming.

Finally, in addition to security, economic, and environmental considerations, anyone who professes to being concerned with economic development must be concerned about the ability of developing nations to pay for the energy they need.

The economic impact of high oil prices is far more burdensome in developing countries than in the developed world. Generally, developing countries are more dependent on imported oil, their industries are more energy intensive, and they are able to use energy less efficiently.

Reliance on oil imports has grown dramatically in developing countries as they have become more industrialized and urbanized. In 1972, developing countries (excluding OPEC) spent less than one percent of their GDP on imported oil. The United Nations Conference on Trade and Development estimates that, today, they spend 3.5 percent of their GDP or more on imported oil -- roughly twice the percentage paid in the main OECD countries.

Direct effects of oil-price increases on poor households include higher costs for petroleum-based fuels used for cooking, heating, and transportation. Small and medium-sized businesses are ill-equipped to cope with substantial fuel bill increases. Many governments subsidize petroleum, which can distort their economies. In these cases, high oil prices also consume national budgets, thus limiting other types of social spending.

World Bank research shows that a sustained oil-price increase of $10 per barrel will reduce GDP by an average of 1.47 percent in countries with a per-capita GDP of less than $300. Some of these countries would lose as much as 4 percent of GDP. This compares to an average loss of less than one half of one percent of GDP in OECD countries.

What is needed is a diversification of energy supplies that emphasizes environmentally friendly energy sources that are abundant in most developing countries. Nations containing about 85 percent of the world's population depend on oil imports. These nations could reap many security and economic benefits by breaking their oil import chains.

For example, one of the most promising energy technologies for much of the developing world is cellulosic ethanol. This is a renewable fuel derived from biomass such as grasses, plants, trees, and waste materials. Such fuel is environmentally friendly and would not require significant changes to current automobiles.

Previously, ethanol could only be produced efficiently from a tiny portion of plant life – mostly corn and sugar. High production costs and limited grain stocks made a broad transition to ethanol fuel impractical. But recent breakthroughs in genetic

engineering of biocatalysts make it possible to break down a wide range of plants. As conversion efficiency increases, cellulosic ethanol will become competitive with oil. Reductions in processing costs of ethanol are inevitable. We must remember that ethanol processing remains a relatively young industry. Oil processing has had the comparative benefit of a century of intensive research and development.

There is a virtual consensus among scientists that when considered as part of a complete cycle of growth, fermentation, and combustion, ethanol contributes no net carbon dioxide to the atmosphere. Although burning ethanol releases carbon dioxide into the atmosphere, it is essentially the same carbon dioxide that was fixed by photosynthesis when the plants grew. In contrast, the carbon dioxide released by burning fossil fuels would have remained trapped forever beneath the earth had it not been extracted and burned.

The full commercial emergence of cellulosic ethanol would provide a cash crop to any region that could grow grass, trees, or other vegetation. This would help rural development, improve the developing world's balance of payment position, and reduce its reliance on oil. Biorefineries producing biofuels and biochemicals can be modularized, simplified, and sized to meet the needs of communities in remote areas. Such a democratization of world energy supplies would reduce armed conflict, lower the risk of global recession, and aid in the development of emerging markets.

Cellulosic ethanol is just one of several promising energy sources, including clean coal technology, biodiesel, and hybrid cars, which can move us away from extreme dependence on oil. The task is to make this happen before a global crisis occurs. The economic sacrifices imposed by rising fossil fuel prices have expanded concerns about energy dependence. But in the past, as oil price shocks have receded, motivations for action also have waned. The international community cannot afford to relax in our effort to democratize energy supplies. Oil's importance is the result of industrial and consumption choices of the past. We now must choose a different path.

I am pleased by the attention being given to energy development by the United Nations Development Program, which has asserted that "Energy is central to sustainable development and poverty reduction efforts. It affects all aspects of development – social, economic, and environmental – including livelihoods, access to water, agricultural productivity, health population levels, education, and gender-related issues. None of the Millennium Development Goals can be met without major improvements in the quality and quantity of energy services in developing countries." The UNDP currently supports 153 full scale projects in renewable energy with a total program value of $556 million. I would argue that this is a good start, but members of this body should examine how more international resources can be brought to bear on achieving energy self-sufficiency in the developing world.

We also need to think creatively about how countries can cooperate with each other to address today's global energy challenges. For example, last November, I

introduced in the U.S. Senate, "The United States-India Energy Security Cooperation Act of 2005." This bill would promote greater cooperation between the U.S. and India on clean coal technology, ethanol, and other energy sources. I am developing additional legislation of this type to encourage bilateral and multilateral energy cooperation with many other nations. I am hopeful that member states will embrace these opportunities. Likewise, I am hopeful that the United Nations and the Security Council will elevate the importance placed on dialogues about energy.

I am confident that the challenges that I have underscored today are not insurmountable. In fact, I believe that we possess the technology and experience necessary to revolutionize energy supplies and secure our future against the threat of WMD proliferation. It is our job as political leaders to supply the most elusive ingredients – the political will and international cohesiveness that will make achievement of these objectives a reality. I urge you to embrace these tasks and work together with determination and compassion for the benefit of all the people of the world.

Thank you for the honor of addressing the Security Council.

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Lugar's 10 reforms:

1. Establish a Human Rights Council with membership criteria that will bar repressive or Security Council-sanctioned regimes.
2. Create an Ethics Office, including the implementation of more thorough financial disclosures and lower gift limits.
3. Establish an effective whistleblower protection policy.
4. Establish and enforce a zero tolerance policy regarding sexual exploitation by U.N. personnel at Headquarters and in the field – both in humanitarian and peacekeeping operations.
5. Strengthen the Office of Internal Oversight Services so it can conduct more effective and in-depth investigations of corruption.
6. Overhaul of the procurement system and internal controls to ensure officials involved in the process don't take kick-backs and bribes.
7. Conduct a much-needed review of U.N. mandates that are over five years old, with a goal to re-directing resources to newer, more pressing initiatives.
8. Establish an oversight body that will be able to review the results of investigations and ensure that U.N. agencies comply with the resulting recommendations.
9. Fund a one-time staff buy-out to allow for a redirection of personnel resources to priority areas, similar to buy-outs at other U.N. agencies.
10. Improve access to all U.N. documents.

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